

SECRET

THE WHITE HOUSE
Washington

C O P Y

April 3, 1959

MEMORANDUM TO MR. JAMES S. LAY

The National Security Council, on March 3, 1958, requested the Council on Foreign Economic Policy to review the United States Economic Defense Policy (NSC Action No. 1865-c).

On January 23, 1959, I advised you that the CFEP had reviewed this policy, and had agreed that it should be continued pending a study by a CFEP committee on the effectiveness of the implementation of the policy. I also advised you on the same date that I had requested the CFEP committee to recommend terms of reference for a study by an outside agency concerning the advantages and disadvantages to be derived by the United States from peaceful trade with the Soviet bloc. The National Security Council noted this in its meeting of January 29, 1959 (NSC Action No. 2042).

I now wish to advise you that on April 2, 1959, the CFEP considered the report and recommendations submitted by its committee pursuant to the above.

It was the consensus of the CFEP:

a. That the current United States Economic Defense Policy (NSC 5704/3) has been, on the whole, appropriately implemented.

b. That no recommendations should be submitted to the NSC at this time for changing the United States Economic Defense Policy.

c. That the CFEP should not at this time sponsor a study by an outside agency on the advantages and disadvantages to the United States of peaceful trade with the Soviet bloc.

The CFEP minutes of April 2, 1959 reflecting the above action are attached.

/s/ CLARENCE B. RANDALL

Clarence B. Randall

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